

A nonprofit organization may qualify for exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954 where it is organized and operated to promote humane treatment of laboratory animals by carrying on a program for the accreditation of animal care facilities that supply, keep, and care for animals used by medical and scientific researchers.

Advice has been requested whether under the circumstances described below a nonprofit organization qualifies for exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954.

The organization was created by various nonprofit organizations interested in medical and animal research to conduct a voluntary accreditation program for laboratory animal care facilities. The accreditation program is intended to educate and furnish guidance for the maintenance and operation of laboratory animal care facilities and to upgrade the standards for such facilities.

Specific standards and requirements for accreditation of laboratory animal care facilities are prepared and published by the organization. As a part of the program, the organization furnishes experts to inspect, evaluate, and recommend improvements to applicants for accreditation. It grants, denies, or gives provisional accreditation. All organizations having facilities caring for animals used for research purposes are invited to apply for accreditation. The organization does not breed or sell laboratory animals.

Funds are obtained from contributions and from the fees charged applicants for accreditation. These fees, which are based on the expense of the accreditation, do not cover the cost incurred by the organization in conducting this activity.

Section 501(c)(3) of the Code provides that an organization which is organized and operated exclusively for charitable purposes or for the prevention of cruelty to animals is exempt from Federal income tax.

Section 1.501(c)(3)-1(d)(2) of the Income Tax Regulations provides that the term 'charitable' is used in section 501(c)(3) of the Code in its generally accepted legal sense, is not limited by the separate enumerations in 501(c)(3), and includes the advancement of education or science.

The development and publication of standards for the operation of laboratory animal care facilities and the inspection, evaluation, and recommendations for improvement of such facilities are activities which support and advance education and science. Further, these activities promote the humane care of animals in the facilities inspected.

Accordingly, the organization qualifies for exemption from Federal income tax under section 501(c)(3) of the Code.

An organization which considers itself within the scope of this Revenue Ruling must, in order to establish exemption under section 501(c)(3) of the Code, file an application on Form 1023, Exemption Application, with the District Director of Internal Revenue for the internal revenue district in which is located the principal place of business or principal office of the organization. See section 1.501(a)-1 of the regulations.